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May 12, 2023

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Difference Between FY23/3 Earnings Forecast and Actual Results & Recording of Extraordinary Gain and Loss

Japan Display Inc. (JDI) is disclosing the details on the difference between its actual FY23/3 Q4 standalone and full-year earnings and its forecast announced on February 10, 2023.

In addition, JDI recorded an extraordinary gain on debt forgiveness, an extraordinary loss on production end at the Higashiura Fab, and a manufacturing asset impairment.

1. Difference Between FY23/3 Q4 and Full Year Forecast & Actual Results

(1) FY23/3 Q4 Stand Alone (January 1, 2023 to March 31, 2023)

(JPY million, except EPS)

	Sales	EBITDA	Operating Profit	Recurring Profit	Net Income	EPS (JPY)
Forecast (A)	58,000	-23,100	-24,900	-25,400	-14,500	
Result (B)	62,714	-20,196	-22,006	-21,936	-8,433	-1.77
Change (B-A)	+4,714	+2,904	+2,894	+3,464	+6,067	
% Change	+8.1%	—	—	—	—	
Reference: FY22/3 Q4 Stand Alone	86,427	3,850	1,540	2,109	-1,765	-0.40

(2) FY23/3 Full Year (April 1, 2022 to March 31, 2023)

(JPY million, except EPS)

	Sales	EBITDA	Operating Profit	Recurring Profit	Net Income	EPS (JPY)
Forecast (A)	266,000	-39,100	-47,300	-46,400	-31,900	-6.74
Result (B)	270,746	-36,198	-44,386	-42,924	-25,818	-5.46
Change (B-A)	+4,746	+2,902	+2,914	+3,476	+6,082	
% Change	+1.8%	—	—	—	—	
Reference: FY22/3	295,946	161	-8,576	-7,964	-8,096	-2.08

(3) Reason for Difference Between FY23/3 Q4 Stand Alone Forecast and Actual Results

Sales came in above forecast, which conservatively factored in decreased demand for consumer electronics. EBITDA, operating profit, and recurring profit also came in above forecast on higher sales and fixed cost reductions. Net income came in above forecast due to the above reasons and below forecast expenses related to the production end at Higashiura Fab.

For further details on the FY23/3 financial results please refer to today's release "FY23/3 Earnings."

2. Extraordinary Gain and Loss

(1) Extraordinary Gain

Debt Forgiveness

JDI recorded a FY23/3 Q4 extraordinary gain on the forgiveness of debt of JPY 15 billion by Ichigo pursuant to the capital alliance agreement executed on February 10, 2023.

(2) Extraordinary Loss

1. Impairment Loss

JDI recorded a FY23/3 Q4 extraordinary loss of JPY 833 million on the impairment of some of its manufacturing assets in accordance with the "Accounting Standard for Impairment of Fixed Assets."

This brings the total impairment loss for FY23/3 to JPY 2,803 million.

2. Business Restructuring Expenses

JDI recorded a FY23/3 Q4 extraordinary loss of JPY 610 million on business restructuring expenses related to the production end at the Higashiura Fab in March 2023.

This brings total business restructuring expenses for FY23/3 to JPY 5,844 million on a consolidated basis and JPY 2,329 million on a non-consolidated basis.